

24 September 1953

NSC Review Completed

MEMORANDUM FOR: Mr. Houston

SUBJECT : Assistance for the Operations Coordinating Board

1. Attached is Executive Order 10483 and the draft agreement, same subject as above. The preamble to the agreement provides that it is entered into pursuant to EO 10483. I note that Section 3 of the Executive Order starts out with the three words "Consonant with law." I think we both feel substantially the same on this point that the legal grounds are rather tenuous.


2. Paragraph 1 of the agreement indicates that the four agencies concerned as a matter of principle would contribute approximately equal shares to support the Board, although different shares may be agreed upon. A quick glance at the financial statement as of 1 November 1953 indicates that neither State nor FOA will actually contribute any cash. Of the [] budget, CIA is expected to contribute [] or slightly more than two thirds. As a policy matter, this heavy support by CIA of the Board might be subject to some query either in the Bureau of the Budget or in the Congress.

3. Paragraph 3 of the agreement provides that funds should be available for expenditure to cover costs of the staff of the OCB, including employment of personnel, procurement of supplies, travel expenses, etc. This phrasing would indicate that the Board is actually conceived as more than just an interagency committee or board and in actuality partakes in the nature of a new executive agency of the Government. From a legal standpoint the Board cannot employ people nor can it procure supplies. In fact, it must do these things through the member agencies. It is noted that in paragraph 4 the full-time permanent personnel on the staff of the Board will normally be appointed in and paid by State. From the Bureau of the Budget standpoint, this type of "subterfuge" would in a sense tend to distort the budget and personnel figures of the department.

4. The closing words of paragraph 7 of the agreement provide that it "shall remain in force until rescinded by the Board." Obviously the agreement can be amended or rescinded by the departments concerned without reference to the Board as such. This may be a mere technicality, but it seems inappropriate that an agreement should permit the Board to perpetuate itself.

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5. Because of the fact of its large financial contribution and because of the probable heavy reliance by CIA on OCB, it would seem that the CIA has a special responsibility in the OCB to assure that such a mechanism is firmly and soundly established in a lawful manner. I would suggest consideration be given to discussing the basic legal and policy problems involved with Mr. Dulles or General Cabell with a view of taking action possibly with the Bureau of the Budget and GAO. Fundamentally, OCB is no different than PSB and the same general problems obtain.


Executive Officer
Office of the DD/A

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2 Att - Assistance for OCB
EO 10483

EO/DD/A:JSW/hh

cc: chrono

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ORIGINAL DOCUMENT MISSING PAGE(S):

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